


Entered on Docket
June 28, 2010


HON JOHN L PETERSON
U.S. BANKRUPTCY JUDGE

DOWNEY BRAND LLP
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Attorneys for Debtors

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

WESTERN DAIRY SPECIALTIES, LLC,

Debtor.

Case No.: BK-N-10-50307-GWZ
Chapter 11

(Jointly Administered)

In re:

NEVADA RESOURCE DYNAMICS, LLC,

Debtor.

Case No.: BK-N-10-50308-GWZ
Chapter 11

Date: June 23, 2010
Time: 10:00 a.m.

**INTERIM ORDER APPROVING STIPULATION WITH NEVADA STATE BANK FOR
(A) USE OF CASH COLLATERAL BY DEBTORS PURSUANT TO 11 U.S.C. § 363(c)(2);
(B) GRANTING ADEQUATE PROTECTION PURSUANT TO 11 U.S.C. §§ 361 & 363(e);
(C) AUTHORIZING POST-PETITION FINANCING ON A JUNIOR SECURED BASIS
PURSUANT TO 11 U.S.C. § 364(c); and (D) AUTHORIZING THE INTERIM ADVANCE
OF UP TO \$136,102 PENDING THE FINAL HEARING**

1 This matter came before the Court on the Motion For Entry Of An Order Approving
2 Stipulation With Nevada State Bank For (A) Use Of Cash Collateral By Debtors Pursuant To 11
3 U.S.C. § 363(c)(2); (B) Granting Adequate Protection Pursuant To 11 U.S.C. §§ 361 & 363(e);
4 (C) Authorizing Post-Petition Financing On a Junior Secured Basis Pursuant TO 11 U.S.C. §
5 364(c); and (D) Authorizing the Interim Advance of up to \$136,102 Pending the Final Hearing
6 (the "Motion") filed by Western Dairy Specialties, LLC and Nevada Resource Dynamics, LLC
7 (the "Debtors").¹ By their Motion, the Debtors requested, among other things, an order
8 authorizing and approving debtor-in-possession financing on an interim basis and use of cash
9 collateral in order to avoid immediate and irreparable injury.

10 The Court having considered the Motion and the statements of counsel presented at the
11 hearing; the Court having been advised that negotiations have continued between the Debtors
12 and Nevada State Bank regarding the terms of the Debtor-In-Possession Loan Agreement
13 ("Agreement") attached as Exhibit B to the Declaration of Matthew Berry (the "Berry
14 Declaration"), and that the form of Agreement would be modified from the version attached to
15 the Berry Declaration; the Court having determined that the Agreement is fair, reasonable, in
16 good faith, and necessary and appropriate for the maintenance and preservation of the Debtors'
17 property; appropriate notice of the hearing having been given, and good cause appearing
18 therefor;

19 IT IS ORDERED that the Motion is GRANTED.

20 IT IS FURTHER ORDERED that, subject to the terms and conditions of the Agreement
21 when fully executed, Nevada State Bank is immediately authorized to advance (and the Debtors
22 are authorized to borrow) up to \$136,102 pending a final hearing on the Motion in order to
23 prevent immediate and irreparable harm to the Debtors.

24 IT IS FURTHER ORDERED that the Agreement between the Debtors and Nevada State
25 Bank is APPROVED in such form as may be executed by the Debtors and Nevada State Bank,

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27
28 ¹ Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Agreement.

1 with the Agreement to include, but not necessarily be limited to, the following provisions of
2 which the Court was made aware at the hearing:

3 a) the Opposition to the Motion filed by DB-JB Investments, LLC ("DB-JB") will be
4 resolved by including in Paragraph 3.5 of the Agreement a carve-out for any administrative
5 expense claim of DB-JB in an amount not to exceed \$19,020.00 as and for the insurance DB-JB
6 placed on the Debtors' property post-petition;

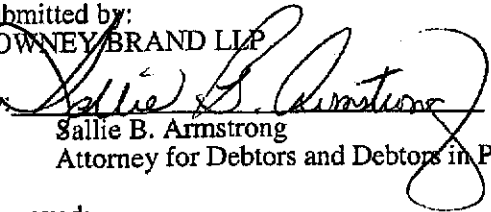
7 b) the interest rate under the terms of the Agreement will be increased to 10%;

8 c) Nevada State Bank, as "Lender" under the Initial Loan and Participation Agreement,
9 will gift 5% of the sale proceeds received to the unsecured creditors of Western Dairy
10 Specialties, LLC.

11 IT IS FINALLY ORDERED that a final hearing on the Motion shall be held on July 21,
12 2010 at 2:00 p.m.

13 ###

14 Submitted by:
15 DOWNEY BRAND LLP

16 By: 
17 Sallie B. Armstrong
18 Attorney for Debtors and Debtors in Possession

19 Approved:
20 GORDON SILVER

21 By: _____
22 Matthew C. Zirzow
23 Attorney for Nevada State Bank

24 HARTMAN & HARTMAN

25 By: See attached LR 9021 Certification
26 Jeffrey L. Hartman
27 Attorney for Umpqua Bank, Successor
28 in interest for Nevada Security Bank

WOODBURN AND WEDGE

By: _____
John F. Murtha
Attorney for DB-JB Investments, LLC

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22 By: _____

Jeffrey L. Hartman

Attorney for Umpqua Bank, Successor
in interest for Nevada Security Bank

25 WOODBURN AND WEDGE

26 By: _____

John F. Murtha

Attorney for DB-JB Investments, LLC

JUN. 25. 2010 4:19PM

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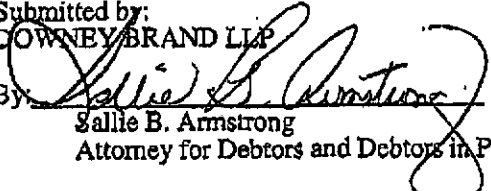
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John F. Murtha

27 Attorney for DB-JB Investments, LLC

28

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In accordance with LR 9021, counsel submitting this document certifies as follows (check one):

☐ The court has waived the requirement of approval under LR 9021.

☐ This is a chapter 7 or 13 case, and either with the motion, or at the hearing, I have delivered a copy of this proposed order to all counsel who appeared at the hearing, any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

☒ This is a chapter 9, 11, or 15 case, and I have delivered a copy of this proposed order to all counsel who appeared at the hearing, any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below or as indicated by their signatures to this Order [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

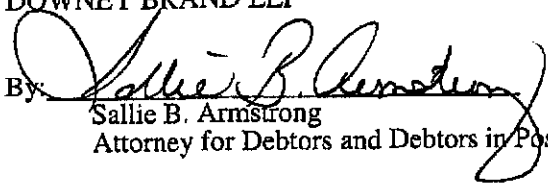
Jeffrey L. Hartman Approved

☐ I certify that I have served a copy of this order with the motion, and no parties appeared or filed written objections.

Certified by:

DOWNEY BRAND LLP

By:


Sallie B. Armstrong
Attorney for Debtors and Debtors in Possession